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March 27, 2003

Susan M. Scarane
Department Specialist
Health Plans
Office of Policy and Consumer Services
P.O. Box 30220
Lansing, MI 48909

Re: ASF Provider Class Plan

Dear Ms. Scarane:

Enclosed for filing is Blue Cross Blue Shield of Michigan's modified provider class plan for ambulatory surgery facilities. The modifications were finalized after BCBSM obtained input from providers and subscribers. BCBSM's board of directors approved the modifications on March 26, 2003.

This plan was modified pursuant to Commissioner Fitzgerald's January 31, 2002 order, which requires BCBSM to revise its ASF participation requirements to ensure an adequate and stable provider network.

There are four substantial modifications to the plan. They are:

- ASFs may temporarily disable an operating room to meet the volume minimum.
- The definition of "operating room" has been expanded to include dedicated endoscopy and cystoscopy rooms.
- The definition of "rural" has been expanded in certain circumstances to include counties defined by the USDA as an "urban fringe" county.

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- Participating ASFs that add an operating room will be given a reasonable period to reach the required volume minimum.

Pursuant to Section 508(1)(a), BCBSM intends to implement the modified plan shortly after it is filed. If you object to this, please advise me as soon as possible.

If you have any questions about this filing, please contact me.

Sincerely,



Lisa Varnier
Assistant General Counsel

LV/rlw

Enclosures